

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 118 – SB 1139

March 4, 2011

SUMMARY OF BILL: Expands the list of students eligible for open enrollment in charter schools to include students who have been in state custody for at least one year after reaching 14 years of age, in state custody for at least one year after reaching 14 years of age and placed for adoption with the Department of Children's Services (DCS) or an adoption contract agency, or in state custody for at least one year after reaching 14 years of age and placed in permanent state custody.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant

Other Fiscal Impact – More students not eligible under current guidelines will be eligible to transfer into a public charter school. BEP funds may shift from local education agencies or the Department of Children's Services, dependent upon where foster children currently attend school, the number of students enrolling, the capacity of the charter school, and the number of open enrollment slots.

Assumptions:

- No impact on BEP formula. DCS education facilities are funded entirely by the state. If a foster child transfers to a charter school from a DCS run facility, then the LEA where the charter school is located may have an increase in their BEP local matching funds as students transfer into the LEA.
- The number of transferring students will be small. DCS will not significantly increase expenditures to continue to pay for fixed operational costs as a result of students transferring out of DCS run facilities. Any increase in local expenditures will be not significant.
- No impact on the current charter school eligibility requirements.
- Making more students eligible to attend charter schools will not increase the number of available slots in charter schools.
- Approximately 702 children currently in foster care will be eligible to enroll in a charter school. The total number of students who will be eligible to transfer into a charter school is unknown.

HB 118 – SB 1139

- Any shift in funding will be a result of new slots becoming available. It is unknown how many open slots will be available for the 2011-2012 school year and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/msg